101ST CONGRESS
2d Session

SENATE

REPORT
101-477

COMMON SENSE BUDGET ACT

REPORT

OF THE

COMMITTEE ON THE BUDGET
UNITED STATES SENATE

TO ACCOMPANY

S. 447

together with

MINORITY VIEWS

To require the Congress and the President to use the spending levels for the current fiscal year (without adjustment for inflation) in the preparation of the budget for each new fiscal year in order to clearly identify spending increases from one fiscal year to the next fiscal year.

SEPTEMBER 27 (legislative day, SEPTEMBER 10), 1990.—Ordered to be printed

---

U.S. GOVERNMENT PRINTING OFFICE

89-010 WASHINGTON : 1990

S253-9

COMMITTEE ON THE BUDGET

JIM SASSER, Tennessee, *Chairman*

ERNEST F. HOLLINGS, South Carolina
J. BENNETT JOHNSTON, Louisiana
DONALD W. RIEGLE, JR., Michigan
J. JAMES EXON, Nebraska
FRANK R. LAUTENBERG, New Jersey
PAUL SIMON, Illinois
TERRY SANFORD, North Carolina
TIMOTHY WIRTH, Colorado
WYCHE FOWLER, JR., Georgia
KENT CONRAD, North Dakota
CHRISTOPHER J. DODD, Connecticut
CHARLES S. ROBB, Virginia

PETE V. DOMENICI, New Mexico
WILLIAM L. ARMSTRONG, Colorado
RUDY BOSCHWITZ, Minnesota
STEVEN D. SYMMS, Idaho
CHARLES E. GRASSLEY, Iowa
ROBERT W. KASTEN, JR., Wisconsin
DON NICKLES, Oklahoma
WARREN RUDMAN, New Hampshire
PHIL GRAMM, Texas
CHRISTOPHER BOND, Missouri

JOHN L. HILLEY, *Staff Director*
AGNES J. BUNDY, *Counsel*
G. WILLIAM HOAGLAND, *Minority Staff Director*
AUSTIN SMYTHE, *Senior Minority Analyst, Budget Process*

CONTENTS

	Page
I. Summary of the Legislation	1
II. Need for Legislation	1
III. History of Current Services Baseline	3
IV. Section-by-Section Analysis	5
V. Roll-Call Vote in Committee	6
VI. Joint Referral Under the Standing Order	6
VII. Regulatory Impact	6
VIII. Cost Estimate	7
IX. Minority Views of Senator Sasser	8
X. Changes in Existing Law	9

101ST CONGRESS
2d Session

SENATE

REPORT
101-477

COMMON SENSE BUDGET ACT

SEPTEMBER 27 (legislative day SEPTEMBER 10), 1990.—Ordered to be printed

Mr. SASSER, from the Committee on the Budget,
submitted the following

REPORT

together with

MINORITY VIEWS

[To accompany S. 447]

I. SUMMARY OF LEGISLATION

On July 18, 1990, on the motion of Senator Rudy Boschwitz, by a vote of 13 to 8, the Committee on the Budget ordered reported S. 447, the "Common Sense Budget Act," which requires that budget information in the President's budget and Congressional budget resolutions be presented in comparison with prior-year spending.

Senator Boschwitz introduced S. 447 on February 23, 1989, and it was referred to the Committees on the Budget and on Governmental Affairs. On October 18 and 26, 1989, the Committee on the Budget and the Committee on Governmental Affairs held two joint hearings on S. 447 and related budget process bills. At the time it was ordered reported by the Committee on the Budget, 19 Senators were cosponsors of the legislation.

II. NEED FOR LEGISLATION

Spending and tax proposals in the Administration's budget documents, and Congress's budget resolutions, are characterized in terms of their relation to the "Current Services Baseline." The current services baseline is a projection of spending and receipts that includes a projection of the effects of general inflation, inflation affecting specific programs, other economic changes, demographic shifts, policy changes already enacted, and other factors.

This current services baseline can be misleading. If the President or the Congress proposes funding levels that are "below" baseline,

it is said to be proposing a spending reduction, even though the dollar amount may be greater than the previous year's spending level. Similarly, on the receipt side of the budget, a reduction in tax rates is considered a tax "cut," even though receipts may be $80 billion higher than the previous year.

In fact, during the past decade, a period that many claimed involved deep spending and tax reductions, both revenues and outlays have increased dramatically in current dollar terms. (The one exception is 1983 when revenues fell by $17.2 billion.) Between 1980 and 1989, both revenues and outlays almost doubled.

Another misconception is that current services baseline increases are due solely to inflation. Over half of the projected increase in Congressional Budget Office (CBO) baseline outlays from 1990 to 1991 can be attributed to caseload, utilization, and interest cost increases and other non-inflation related charges. Following is a table prepared by the CBO showing the distribution of baseline spending increases.

COMPONENTS OF CBO BASELINE SPENDING PROJECTIONS INCLUDING ADDITIONAL RTC SPENDING BEYOND CURRENT LAW

[By fiscal year, in billions of dollars]

	1991	1992	1993	1994	1995
1990 Level	1,238	1,238	1,238	1,238	1,238
Current law increases:					
COLAs for entitlement programs [1]	12	27	42	57	72
Increases in price of medical care [1]	4	10	16	22	30
Increases in entitlement program caseloads	7	14	22	30	40
Increases in use of medical care [2]	8	21	33	46	59
Rising benefits for new Social Security beneficiaries [2]	6	10	14	17	21
Expected changes in offsetting receipts	−1	−4	−7	−10	−13
Increase interest costs	14	25	35	40	43
Other	25	33	33	40	36
Subtotal	75	136	187	243	287
Change in deposit insurance spending [3]	31	25	−17	−66	−60
Inflation adjustment to maintain real spending for discretionary programs:					
Defense purchases	3	9	16	23	31
Defense pay	3	8	12	17	22
Nondefense purchases	3	8	14	21	28
Nondefense pay	1	3	5	7	9
Subtotal	11	28	47	68	90
Total increases	117	188	217	245	317
CBO baseline	1,355	1,426	1,455	1,483	1,555

[1] Represents program growth than could be eliminated by freezing cost-of-living adjustments and certain medical reimbursement rates.
[2] All growth not explained by increases in caseloads and prices.
[3] Includes necessary resources beyond current law to resolve savings and loan institutions.

Source: Congressional Budget Office, September 6, 1990.

This legislation would mandate that administration and congressional budget estimates be displayed in relation to the previous year's level. Comparing proposed budget levels to the past year's is not a new concept. In reports on appropriations bills, the Appropriations Committee has included a table called "Comparative

Statement of Budget Authority," since 1861. This table compares the funding levels in the bill with the current appropriation, as well as the President's request.

This type of comparison would require policymakers to make their decisions based on the prior fiscal year's funding and taxation levels. Such a comparison should make it easier for the average American to understand the changes adopted in the annual budget. For example, when people look at their family budgets, any increase over the current rate is a real increase, even if it is less of an increase than expected.

III. History of Current Services Baseline

By law, the President and the Congress are required to use "current services" estimates in their respective budget presentations. Current services is supposed to represent the funding levels required to maintain the current level of Government activity. The Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 contains rules for calculating the budget baseline for the purposes of deficit and sequester estimates. Both the Congressional Budget Office (CBO) and the Office of Management and Budget (OMB) use the Balanced Budget Act methodology in their annual baseline projections and revisions. In calculating the baseline, CBO and OMB assume that:

(1) Current law for revenues and entitlement (and other direct spending) authority would continue unchanged;

(2) Expiring revenue and entitlement provisions would expire as scheduled (except for farm price supports and excise taxes dedicated to a trust fund); and

(3) Discretionary appropriations are provided at the previous year's level, adjusted for inflation and Federal pay raises.

Since the late 1970's the CBO and OMB have used the current services baseline as a foundation for determining the spending levels for the coming fiscal year. The Budget Committees generally use the CBO baseline to develop and enforce budget resolutions and evaluate compliance with reconciliation instructions. In 1987, the Balanced Budget and Emergency Deficit Control Reaffirmation Act codified the baseline that CBO had developed and used for several years.[1]

Theoretically, the baseline is designed to offer a consistent and policy-neutral foundation for the development of a budget plan. In the Federal budget, the current services level is designed to provide a baseline for measuring the fiscal impact of the changes found within the President's budget and the congressional budget resolution.

The current services baseline traces back to the 1974 and the Congressional Budget Act. This law set forth, among other things, the requirement for the current service baseline in order to gain greater control over budget outlays and the process for setting national policies and priorities. Prior to 1973, the base used to compare alternative budget plans was either the previous year's fund-

[1] Van de Water, Paul. "Baseline Budget Concepts." National Economic Commission. Washington, D.C. March, 1989. p. 471.

ing level or spending levels proposed by the President. There were certain analytical limitations associated with these approaches because lawmakers were not provided with enough information to initiate effective long term planning. This method made it difficult to distinguish changes and measure policy changes. Additionally, all decisions were based on the President's baseline which included specific policy proposals and was not a neutral decision making base.

In 1973, the Joint Economic Committee (JEC) produced a study that attempted to identify the automatic growth that occurred even in the absence of policy changes. By adjusting the current year levels for changes in underlying economic assumptions (such as GNP, inflation, unemployment, and payment levels for entitlement programs) the JEC developed spending projections. Additionally, the JEC report recommended that Congress develop a five-year baseline projection. Senator Muskie suggested that the current service concept be incorporated in the Congressional Budget Act, and as a result of the JEC's research and Senator Muskie's suggestion, the provision was included in the Budget Act.

Section 605 of the Congressional Budget Act of 1974 specifies that the President shall submit to both Houses of Congress the estimated budget outlays and proposed budget authority that would be included in the following fiscal year's budget "if the programs and activities of the United States Government were carried on during that year at the same level as the current fiscal year without a change in policy." This section of the law also requries the President to submit a statement of the economic and program assumptions that underlie the budget outlays and budget authority, including inflation, real economic growth, and unemployment rates.[2]

The Budget Act contains the phrase "* * * at the same level as the current year without a change in policy," which is open to interpretation. At times OMB has used various definitions of current policy and policy changes when developing current services baseline. OMB defines the current services level as the current year appropriation or the current year appropriation in current dollars for certain types of accounts. For example, for nondiscretionary programs such as entitlements, the level required to fulfill legal requirements serves as the current services level. If major programs are funded incrementally, the level is maintained at the rate required by completion.[3]

The Balanced Budget and Emergency Deficit Control Act of 1985 changed the requirements for a current services baseline by allowing, among other things, the simultaneous submission of the President's current services budget and his proposed budget. In this case, both documents are based on the same economic assumptions.[4]

The methodology set forth in section 102 of the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 decreased the flexibility of the estimates used for current program

---

[2] United States Code, Chapter 11, Section 1109.
[3] "Budget Issues, The President's Current Services Budget," p. 12.
[4] "Budget Issues, The President's Current Services Budget." United States Government Accounting Office, Washington, D.C. December 1986. P. 3.

levels for discretionary programs. This law revised section 251 of the Balanced Budget and Emergency Deficit Control Act by specifying the parameters to be used in constructing the baseline. For example, the law required that all discretionary programs be increased by the GNP deflator, but both CBO and OMB have continued to compile alternative current services estimates that grant further flexibility with these programs.

IV. Section-by-Section Analysis

SECTION 1. SHORT TITLE

Section 1 gives the title of the act: the "Common Sense Budget Act of 1989".

SECTION 2. THE PRESIDENT'S BUDGET

Section 2 amends the United States Code to require the President's budget include the estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted. This budget should also include a comparison of estimated expenditures and proposed appropriations for each function and subfunction in the current year and the fiscal year for which the budget is submitted, as well as the percentage of proposed increase and decrease of spending for these functions and subfunctions.

SECTION 3. CONGRESSIONAL BUDGET

Section 3 amends the Congressional Budget Act of 1974 to require the Budget Committees to use the estimated level of outlays for the current year in each function and subfunction as the starting point for their deliberations on the budget resolution for the next fiscal year. The increases and decreases in the budget for the next fiscal year shall be from these estimated levels.

This section also strikes the Congressional Budget Act's requirement that the report of the current resolution include a comparison of the appropriate levels of total budget outlays and total new budget authority. This section also strikes the requirement that each major functional category and estimate of budget outlays and new budget authority for all programs be included in the committee report. Instead, this section requires a comparison of proposed spending levels in the budget to the previous year's level of spending, as well as the percentage of proposed increase or decrease of spending for these functions.

Additionally, the section requires that relevant information indicating the manner and basis on which the committee set forth the contents of the budget resolution be included in the reports of the concurrent resolution. This includes information on current year outlays and funding for the subsequent fiscal years.

SECTION 4. CONGRESSIONAL BUDGET OFFICE REPORT TO COMMITTEES

Section 4 amends the Congressional Budget Act regarding the Congressional Budget Office's annual report to Congress, which is currently required to be submitted February 15th. This section would add a requirement that CBO include an estimate of budget

outlays for appropriated programs for the current fiscal year and for entitlement programs for the next fiscal year.

V. Roll-Call Vote in Committee

Senator Boschwitz moved that the Committee report the Common Sense Budget Act of 1989.

The Committee agreed to the Boschwitz motion to report the Common Sense Budget Act by a vote of 13 yeas and 8 nays.

YEAS	NAYS
Mr. Hollings	Mr. Johnston*
Mr. Exon	Mr. Riegle*
Mr. Simon	Mr. Lautenberg
Mr. Conrad	Mr. Sanford
Mr. Robb	Mr. Wirth
Mr. Armstrong	Mr. Fowler*
Mr. Domenici*	Mr. Dodd*
Mr. Boschwitz	Mr. Sasser
Mr. Symms	
Mr. Grassley	
Mr. Kasten	
Mr. Nickles	
Mr. Bond	

*This vote was made by proxy.

VI. Joint Referral Under the Standing Order

The Committee on the Budget has jurisdication over the matter in the Common Sense Budget of 1989 by virtue of the standing order on the referral of budget—process legislation into which the Senate entered on August 14, 1977. Upon the reporting of the Act, the Presiding Officer will refer to the Commission on Governmental Affairs pursuant to the standing order, with instructions that the Committee on Governmental Affairs shall have 30 days to report or be discharged.

VII. Regulatory Impact

Paragraph 11(b)(1) of rule XXVI of the Standing Rules of the Senate requires that each report accompanying a bill evaluate "the regulatory impact which would be incurred in carrying out the bill." [5] The enactment of this legislation would not have significant regulatory impact.

---

[5] Standing Rules of the Senate, Rule XXVI(11)(b)(1) (1990).

VIII. Cost Estimate

U.S. Congress,
Congressional Budget Office,
Washington, DC, August 9, 1990.

Hon. Jim Sasser,
Chairman, Committee on the Budget,
U.S. Senate, Washington, DC.

Dear Mr. Chairman: The Congressional Budget Office has reviewed S. 447, the Common Sense Budget Act of 1989, as ordered reported by the Senate Committee on the Budget, July 25, 1990. We estimate that this bill would result in no significant cost to the federal government and in no costs to state and local governments.

S. 447 would require the President and the Congress to use current spending levels with no inflation adjustment as the starting point or basis for comparison in preparing and presenting the budget for the next fiscal year. Under existing practice, the budget baseline used to measure policy changes includes adjustments for inflation. We expect that implementing this change would result in no significant additional costs for the Office of Management and Budget or the Congress.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is James Hearn, who can be reached at 226–2860.

Sincerely,

Robert F. Hale
(For Robert D. Reischauer).

IX. MINORITY VIEWS OF SENATOR JIM SASSER

S. 447 as reported by the Senate Budget Committee would require the Congress to develop the annual Federal budget on the basis of faulty economic and program assumptions. In effect, this legislation would build a budget on the assumption that inflation is non-existent and that there is never any growth in the number of beneficiaries of various Federal entitlement programs such as Social Security and Medicare.

Two programs illustrate my point. First, the legislation would require us to assume a freeze in critical defense programs. It would preclude a "baseline" estimate of current defense spending that would take into account the inflationary factors affecting defense outlays such as increased fuel costs and the like.

Second, this legislation would also adversely affect budgeting for important entitlement programs like Social Security. For example, this bill would require us to start our budget deliberations as if no more people will reach retirement age next year than we have today. Moreover, this bill also would require a budgeting baseline for Social Security that would assume to granting of Cost of Living Adjustments (COLAS) for those presently receiving such benefits.

By turning away from current budget baseline practices, this legislation makes the Congress and the administration assume that all Federal programs should be subject to across-the-board spending cuts in the form of a budget freeze. S. 447 calls on us to assume—without any basis for doing so—that Congress will enact and the President will sign legislation that provide for major changes in law that will result in a diminution in the various entitlement programs that serve veterans, farmers, Social Security and Medicare beneficiaries. Such changes should be considered on their specific merits rather than on the need for backdoor budget cutting which is the essence on S. 447.

The current system of baseline budgeting is the correct one for making prudent decisions about ways to reach the budget deficit and allocate scarce resources for various spending priorities. S. 447 would drastically alter that system for the worse.

X. Changes in Existing Law

Pursuant to paragraph 12 of rule XXVI of the Standing Rules of the Senate, this section displays changes to existing law made by the Act. Existing law that the Act would strike appears in black brackets, new material appears in italic type, and existing law to which the Act makes no change appears in roman type.

TITLE 31, UNITED STATES CODE

§ 1105. Budget contents and submission to Congress

(a) On or before the first Monday after January 3 of each year (or on or before February 5 in 1986), the President shall submit a budget of the United States Government for the following fiscal year. Each budget shall include a budget message and summary and supporting information. The President shall include in each budget the following:

(1) information on activities and function of the Government.

(2) when practicable, information on costs and achievements of Government programs.

(3) other desirable classifications of information.

(4) a reconciliation of the summary information on expenditures with proposed appropriations.

(5) except as provided in section (b) of this section [, estimated expenditures and proposed appropriations the President decides are necessary to support the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year.]

(A) estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year;

(B) estimated expenditures and proposed appropriations the President decides are necessary to support the Government for each function and subfunction in the fiscal year for which the budget is submitted; and

(C) a comparison of levels of estimated expenditures and proposed appropriations for each function and subfunction in the current fiscal year and the fiscal year for which the budget is submitted, along with the proposed increase or decrease of spending in percentage terms for each function and subfunction;

(6) estimated receipts of the Government in the fiscal year for which the budget is submitted and the 4 fiscal years after that year under—

(A) laws in effect when the budget is submitted; and

(B) proposals in the budget to increase revenues.

(7) appropriations, expenditures, and receipts of the Government in the prior fiscal year.

(8) estimated expenditures and receipts, and appropriations and proposed appropriations, of the Government for the current fiscal year.

(9) balanced statements of the--

(A) condition of the Treasury at the end of the prior fiscal year;

(B) estimated condition of the Treasury at the end of the current fiscal year; and

(C) estimated condition of the Treasury at the end of the fiscal year for which the budget is submitted if financial proposals in the budget are adopted.

(10) essential information about the debt of the Government.

(11) other financial information the President decides is desirable to explain in practicable detail the financial condition of the Government.

(12) for each proposal in the budget for legislation that would establish or expand a Government activity or function, a table showing—

(A) the amount proposed in the budget for appropriation and for expenditure because of the proposal in the fiscal year for which the budget is submitted; and

(B) the estimated appropriation required because of the proposal for each of the 4 fiscal years after that year that the proposal will be in effect.

(13) an allowance for additional estimated expenditures and proposed appropriations for the fiscal year for which the budget is submitted.

(14) an allowance for unanticipated uncontrollable expenditures for that year.

(15) a separate statement on each of the items referred to in section 301(a) (1)–(5) of the Congressional Budget act of 1974 (2 U.S.C. 632(a) (1)–(5)).

(16) the level of tax expenditures under existing law in the tax expenditures budget (as defined in section 3(a)(3) of the Congressional budget Act of 1974 (2 U.S.C. 622(a)(3)) for the fiscal year for which the budget is submitted, considering projected economic factors and changes in the existing levels based on proposals in the budget.

(17) information on estimates of appropriations for the fiscal year following the fiscal year for which the budget is submitted for grants, contracts, and other payments under each program for which there is an authorization of appropriations for that following fiscal year when the appropriations are authorized to be included in an appropriation law for the fiscal year before the fiscal year in which the appropriation is to be available for obligation.

(18) a comparison of the total amount of budget outlays for the prior fiscal year, estimated in the budget submitted for that year, for each major program having relatively uncontrollable outlays with the total amount of outlays for that program in that year.

(19) a comparison of the total amount of receipts for the prior fiscal year, estimated in the budget submitted for that year, with receipts received in that year, and for each major source of receipts, a comparison of the amount of receipts estimated in that budget with the amount of receipts from that source in that year.

(20) an analysis and explanation of the differences between each amount compared under clauses (18) and (19) of this subsection.

(21) a horizontal budget showing—

(A) the programs for meteorology and of the National Climate Program established under section 5 of the National Climate Program Act (15 U.S.C. 2904);

(B) specific aspects of the program of, and appropriations for, each agency; and

(C) estimated goals and financial requirements.

(22) a statement of budget authority, proposed budget authority, budget outlays, and proposed budget outlays, and descriptive information in terms of—

(A) a detailed structure of national needs that refers to the missions and programs of agencies (as defined in section 101 of this title); and

(B) the mission and basic programs.

(23) separate appropriation accounts for appropriations under the Occupational Safety and Health Act of 1970 (29 U.S.C. 651 et seq.) and the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 801 et seq.).

(24) recommendations on the return of Government capital to the Treasury by a mixed-ownership corporation (as defined in section 9101(2) of this title) that the President decides are desirable.

(25) a separate appropriation account for appropriations for each Office of Inpector General of an establishment defined under section 11(2) of the Inspector General Act of 1978.

(26) an analysis, prepared by the Office of Management and Budget after consultation with the chairman of the Council of Economic Advisors, of the budget's impact on the international competitiveness of United States business and the United States balance of payments position and shall include the following projections, based upon the best information available at the time, for the fiscal year for which the budget is submitted—

(A) the amount of borrowing by the Government in private credit markets;

(B) net domestic savings (defined as personal savings, corporate savings, and the fiscal surplus of State and local governments);

(C) net private domestic investment;

(D) the merchandise trade and current accounts;

(E) the net increase or decrease in foreign indebtedness (defined as net foreign investment); and

(F) the estimated direction and extent of the influence of the Government's borrowing in private credit markets on

United States dollar interest rates and on the real effective exchange rate of the United States dollar.

(27) a separate statement of the amount of appropriations requested for the Office of National Drug Control Policy and each program of the National Drug Control Program.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Section 301

(e) In developing the concurrent resolution on the budget referred to in subsection (a) for each fiscal year, the Committee on the Budget of each House shall hold hearings and shall receive testimony from Members of Congress and such appropriate representatives of Federal departments and agencies, the general public, and national organizations as the committee deems desirable. *The starting point for any deliberations in the Committee on the Budget of each House on the concurrent resolution on the budget for the next fiscal year shall be the estimated level of outlays for the current year in each function and subfunction. Any increases or decreases in the Congressional budget for the next fiscal year shall be from such estimated levels.* Each of the recommendations as to short-term and medium-term goals set forth in the report submitted by the members of the Joint Economic Committee under subsection (d) may be considered by the Committee on the Budget of each House as part of its consideration of such concurrent resolution, and its report may reflect its view thereon, including its views on how the estimates of revenues and levels of budget authority and outlays set forth in such concurrent resolution are designed to achieve any goals it is recommending. The report accompanying such concurrent resolution shall include, but not be limited to—

(1) a comparison of revenues estimated by the committee with those estimated in the budget submitted by the President;

[(2) a comparison of the appropriate levels of total budget outlays and total new budget authority, total direct loan obligations, total primary loan guarantee commitments, as set forth in such concurrent resolution, with those estimated or requested in the budget submitted by the President.

[(3) with respect to each major functional category, an estimate of budget outlays and an appropriate level of new budget authority for all proposed programs and for all existing programs (including renewals thereof), with the estimate and level for existing programs being divided between permanent authority and funds provided in appropriations Acts, and with each such division being subdivided between controllable amounts and all other amounts;]

(2) a comparison of levels for the current fiscal year with proposed spending for the subsequent fiscal years along with the proposed increase or decrease of spending in percentage terms for each function and subfunction;

(3) information, data, and comparisons indicating the manner in which and the basis on which, the committee determined each of the matters set forth in the concurrent resolution, including information on outlays for the current fiscal year and

the decisions reached to set funding for the subsequent fiscal years;

(4) an allocation of the level of Federal revenues recommended in the concurrent resolution among the major sources of such revenues;

(5) the economic assumptions and objectives which underlie each of the matters set forth in such concurrent resolution and any alternative economic assumptions and objectives which the committee considered;

(6) projections (not limited to the following), of the period of five fiscal years beginning with such fiscal year, of the estimated levels of total budget outlays and total new budget authority, the estimated revenues to be received, and the estimated surplus or deficit, if any, for each fiscal year in such period, and the estimated levels of tax expenditures (the tax expenditures budget) by major functional categories;

(7) a statement of any significant changes in the proposed levels of Federal assistance to State and local governments; *and*

[(8) information, data, and comparisons indicating the manner in which, and the basis on which, the committee determined each of the matters set forth in the concurrent resolution; and]

[(9)] *(8)* allocations described in section 302(a).

Section 202(f)

(1) On or before February 15 of each year, the Director shall submit to the Committee on the Budget of the House of Representatives and the Senate a report, for the fiscal year commencing on October 1 of that year, with respect to fiscal policy, including

[(A) alternate levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits), and]

(A) estimated budget outlays in all functions and subfunctions for appropriated accounts for the current fiscal year and estimated budget outlays under current law for all entitlement programs for the next fiscal year,

[(B) the levels of tax expenditures under existing law,]

(B) alternative levels of total revenues, total new budget authority, and total outlays (including related surpluses and deficits),

(C) the levels of tax expenditures under existing law, taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year,

taking into account projected economic factors and any changes in such levels based on proposals in the budget submitted by the President for such fiscal year. Such report shall also include a discussion of national budget priorities, including alternative ways of

allocating budget authority and budget outlays for such fiscal year among major programs or functional categories, taking into account how such alternative allocations will meet major national need and affect balanced growth and development of the United States.

○